

HEALTHCARE:

The Future of Health in Estonia – Multi-Sector Collaboration to Ensure Patient-Centered and Sustainable Healthcare System

INTRODUCTION

A sustainable healthcare system in Estonia is a key contributor to establishing a strong and favorable business climate, a sustainable labor market, and promoting Estonia as an attractive investment destination.

OECD reports that life expectancy in Estonia has increased more than in any other EU country since 2000. The health status of Estonian people is now nearing the EU average, mainly due to fewer deaths from ischaemic heart disease and stroke¹. At the same time, the National Health Strategy reports that the increase in healthy life years is not as impressive. This means that Estonians are living longer but with limitations caused by illness and poor health². The share of the 65+ population stands now at approximately 20%, with projections that it will rise gradually to 30% in 2060³. These developments add new challenges for the Estonian Healthcare System.

Estonia spends less on health care than many EU countries – 6.7% of GDP is considerably lower than the EU average of 9.9% in 2018⁴. Health financing reform in 2017 contributed to the sustainability of the existing health insurance system, but this is not enough - it did not substantially increase health funding⁵.

Policy makers rarely consider that improving the health of people in Estonia would provide a new and important source of economic growth. Recent analysis by McKinsey, a consultancy, shows that GDP in Estonia could grow by as much as one tenth if premature deaths could be reduced and people could remain longer in the labour market. Good health increases the capacity to work and raises productivity, so investing one euro in health

care produces a return of 2.4 euros. In addition to these economic benefits, there would also be welfare benefits: each person would gain an average of 28 days of healthy life per year⁶.

Underfunding will become increasingly evident in healthcare because of the gradual long-term trends of an ageing population and falling tax revenues as capacity for work changes. The budget of the Health Insurance Fund will fall into an annual deficit of 900 million euros by 2035 if no changes are made to the current health insurance system and no additional revenues are found for the Health Insurance Fund.

We foresee that balancing the growing need for health care among the elderly, sufficient labor supply of healthy people, and necessary investments into the health care system will remain challenges for the government.

In this regard, AmCham member-companies have outlined a few concerns and corresponding recommendations to help Estonia maintain an open economy, a competitive position in the region, and attract more foreign direct investment into the country. As part of the healthcare system, we stand ready to participate and contribute to an open discussion with the aim of finding constructive and sustainable solutions that will benefit the business climate and Estonian society.

1 OECD (2019), Estonia: Country Health Profile 2019, State of Health in the EU, p 3. OECD Publishing, Paris/ European Observatory on Health Systems and Policies, Brussels, <https://doi.org/10.1787/0b94102e-en>

2 National Health Strategy, p 6. Available in Estonian at: <https://www.sm.ee/et/rahvastiku-tervise-arengukava-2020-2030>

3 Statistics Estonia data. Available at: <https://www.stat.ee/en/uudised/news-release-2019-077>

4 Eurostat (online data codes: hlth_sha11_hf, demo_gind and nama_10_gdp). Available: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Healthcare_expenditure_statistics

5 OECD data, see footnote 1, p 9.

6 The Future of Healthcare in Estonia. Scenarios up to 2035. Summary, p 7. Tallinn: Foresight Centre. Available: https://www.riigikogu.ee/wpcms/wp-content/uploads/2021/03/2020_The_Future_Healthcare_in_Estonia_summary.pdf

MAIN ISSUES IDENTIFIED BY THE COMMITTEE:

1. Lack of Patient Centricity and Healthcare System Inefficiency

The overall vision for people-centered healthcare is one in which individuals, families, and communities are served by and able to participate in trusted health systems that respond to their needs in humane and holistic ways. It aims to achieve better outcomes for individuals, families, communities, health practitioners, healthcare organizations and health systems⁷.

The focus on patients is still insufficient with the Estonian Health Care System, concentrating too much on the service provision and not enough on value provision. Social aspects of health problems are poorly connected. Activities concerning disease prevention are underfunded. The following concerns are identified:

- Insufficient home care and innovative distance care, as well as shortcomings in health education and prevention at primary care level. Access to medicines and medical devices that would enable patients to stay in their home are not prioritized.
- Access to innovative medicines and medical devices is slow and insufficient – 53 innovative medicines were made available in Estonia in 2015-2018, compared to 85 on average in the EU, 124

in Finland and 147 in Germany. The mean time to availability for innovative medicines in Estonia was 660 days in 2015-2018, a considerably longer period compared to many other EU countries⁸.

- On-boarding innovative solutions is challenging when only a small share of public tenders are based on criteria other than the lowest price. A sole focus on the lowest price leads to compromises in product quality, hence patient safety and quality of life. This increases the overall costs to society throughout the patient lifespan. Furthermore, high legal requirements make it costly for companies to enter the market and introduce new technologies, as return on investment is limited by market size.
- Healthcare system inefficiency due to poor communication and collaboration among different service providers is related to the unmet needs in IT system development. The basis for effective and sustainable person-centered and value-based healthcare is availability and adequacy of data and active information flow between different service providers in the system to secure coordination and continuity of care.

2. Unsustainable and Insufficient Financing of Healthcare in Estonia

Healthcare financing is insufficient and unsustainable. It relies mostly on work-force taxation but still does not provide sufficient coverage to the working population. A financially-sustainable and well-secured healthcare system is tightly-related to the whole economic development of a country - the current COVID-19 situation demonstrates these shortcomings particularly well.

The healthcare financing is too targeted to service

provision instead of complex care and outcomes.

Financial investments are too targeted to infrastructure instead of development of digital solutions that could enable more effectiveness. The National Audit Office of Estonia has criticized the state in general for lack of foresight in making investments. The state does not have a view on investments that would go beyond 4 years⁹. This leads to poor outcomes in healthcare.

3. Data is Underused in Decision Making

There is plenty of data in the state registers and databases that is not turned into information that could be used either in treatment process or for planning purposes. Data duplication is still widespread, leading to inefficient use of healthcare resources at each healthcare level.

Healthcare need and healthcare outcome data is not related to the payment data and cannot be used in making financing decisions based on healthcare need or treatment results.

7 Deliverable A: Map of the Current Hospital System. Person-Centred Integrated Hospital Master Plan in Estonia (REFORM/SC2019/140), p 9. Available: https://www.sm.ee/sites/default/files/deliverable_a_vaheraport.pdf

8 EFPIA Patients W.A.I.T. Indicator 2019 Survey, IQVIA, p 13, 16. Available: <https://www.efpia.eu/media/554526/patients-wait-indicator-2019.pdf>

9 National Audit Office in Estonia Overview to the Parliament "Investment planning and management in ministries, major state companies, hospitals and universities", February 6, 2020, p 4-5. Summary available in English and report available in Estonian at: <https://www.riigikontroll.ee/tabid/206/Audit/2497/Area/21/language/et-EE/Default.aspx>

Value of health data collection and monitoring by patients is underestimated and an uncovered field.

Estonia is lacking the focal knowledge point of what data is collected and available in the Estonian health field and how the data could be used for creating additional value. Private sector stakeholders invite the public sector

to ensure a fast and efficient public health data partner for research institutions, but also for the healthcare industry, diagnostics companies, data analysts, application developers, and startups, all looking forward for collaboration to use data. One possible solution, the creation of DigInEst is, unfortunately, still on hold.

4. Collaboration Between Public and Private Organizations, in Estonia and Cross-border

The COVID-19 pandemic has seriously impacted the public and private sectors equally. The private sector is ready to provide its knowledge, tools, and resources to combat the pandemic and contribute to a quick recovery of the economy. Clear government strategy for engagement of the private sector and entrepreneurs into solving concrete problems is missing.

The focus of each country to protect its population can be understood, but trade and economy have developed to function internationally. Different regulations and

restrictions of countries that may change within hours cause chaos in the production and delivery process of essential products. Tighter strategic collaboration between governments of neighboring countries is needed.

Joint strategic planning plays a significant role in combating COVID-19 and other health problems in the region. The Baltic Bubble in place at the beginning of COVID-19 pandemic stands as a great cross-border practice.

HOW WE CAN COLLABORATE:

Health challenges cannot be tackled by a single stakeholder nor be resolved by simple solutions. Dialogue is critical to understanding the priorities and needs of each partner in the equation to support and drive the rapidly advancing science and deliver access to innovative medicines. AmCham Estonia stands ready to participate and contribute to an open discussion with the aim of finding constructive and sustainable solutions that will benefit the business climate and Estonian society. To continue the dialogue the Healthcare Committee of AmCham Estonia brings forward the following topics to address:

- A. A multi-stakeholder dialogue, including the private sector, should be continued to discuss healthcare financing. Despite the progress that has been made in recent years, current spending remains insufficient to ensure sustainability of the Estonian Healthcare System in the long run.
- B. AmCham welcomes the first steps that have been taken to put people and patients in the focus of the Estonian Healthcare System and invites Estonia to continue the move from institutionalized healthcare to outcome-based solutions.
- C. Despite the internationally-recognized role of Estonia in e-government and e-health, the value of e-health has not been fully exploited. This can also be viewed as an underused opportunity for Estonia to utilize its strengths in advancing

e-health related solutions with worldwide export potential. Additional attention and resources are needed. The EU Recovery and Resilience fund is one source of financing that could ensure the necessary development of IT systems and services for the benefit of the Estonian Healthcare System.

- D. Access to innovative medicines and devices remains a big issue for patients in Estonia. Advances in the healthcare industry allow treatments to be provided for rare diseases and conditions that were previously considered incurable. Availability of such innovation would contribute to the productivity of the labour force and the well-being of Estonian people.
- E. AmCham Estonia invites Estonia to define its strategic goals and needs to enable the private sector to provide ideas and solutions.

Future healthcare is a multi-stakeholder challenge, requiring broad engagement beyond the Ministry of Social Affairs. Managing future health challenges requires political will and a public health strategy, close collaboration, and partnerships between governments in the region and private sector. AmCham and its members are willing to participate in these discussions and share their experiences that have been developed locally in Estonia, as well as internationally.

Amcham Estonia invites the Estonian policy-makers to see healthcare as an investment and opportunity to improve the health of its people and work-force with its economic potential, rather than merely a cost. Making our health systems more resilient means ensuring that

all patients receive the treatment they need – pandemic or not. Rethinking provision of care includes an increased focus on prevention, early diagnosis and on keeping patients out of the hospital by moving care closer to communities, families, and homes.

ABOUT AMCHAM ESTONIA

Established in 1997, the American Chamber of Commerce Estonia (AmCham Estonia) is a leading foreign business hub in Estonia comprising of 120 companies from a wide range of sectors with operations and employees in Estonia and across Europe. AmCham Estonia speaks for American, Estonian and International companies operating in Estonia and aims to ensure a growth-orientated business and investment climate in the country. AmCham Estonia is a member of the AmChams in Europe Association (ACE) and of the U.S. Chamber of Commerce.

ABOUT AMCHAM HEALTHCARE COMMITTEE:

The aim of the Healthcare Committee of AmCham Estonia is to provide Estonian policy makers, institutions and other relevant stakeholders with the perspective of US, Estonian and international healthcare companies that operate in Estonia. Composed of the various healthcare industries (pharmaceuticals, eHealth, medical devices, IT, consumer, and academia), the committee serves as a reliable policy partner to the Estonian institutions and helps ensure that new healthcare-related legislations and policies add value to, and benefit, the entire healthcare ecosystem.

Healthcare committee:

1. Elo Tamm, COBALT Law Office (Committee Chair)
2. Martin Minin, Semetron (Medical Devices)
3. Siiri Võlu-Tiganik, HansaMedical OÜ (Medical Devices)
4. Kairit Sildre, Johnson & Johnson (Medical Devices)
5. Jane Kesküla, Janssen
6. Jason Gardner, The J. Molner Company
7. Maarika Merirand, Tallinn Science Park Tehnopol
8. Chris Ellermäa, Roche
9. Anneli Einroos, AbbVie
10. Kadri Mägi-Lehtsi, Roche
11. Taimi Veedla, U.S. Embassy Tallinn
12. Marti Rillo, Nortal
13. Anneli Taal, Pfizer
14. Kärt Tali, Bayer
15. Kalle Uibo, Amgen
16. Jürgen Kukk, Amgen
17. Edgars Labšvirs, Medtronic BV representative office in Baltic countries
18. Ingrid Toonekurg, Microsoft
19. Triin Parik, AstraZeneca
20. Dita Sile, Novartis
21. Lise-Lotte Lääne, Sorainen
22. Anni Tooma, Rud Pedersen Estonia
23. Merilin Varsamaa, Viveo Health
24. Pille Loit, M-Ring
25. Rima Valentukeviciene, IBM
26. Tarmo Toiger, KPMG
27. Konstantin Rebrov, Chemi-Pharm
28. Imants Sinka, MSD
29. Mikko Fernstrom, Biogen
30. Andrei Nahkala, Biogen
31. Jolanta Dickute, Biogen
32. Daria Sivovol, AmCham Estonia
33. Ruthy Kaidar, Microsoft

